

Bulletin from the

EUROPEAN COMMUNITY

BELGIUM, FRANCE, GERMAN FEDERAL REPUBLIC, ITALY, LUXEMBOURG, THE NETHERLANDS

INFORMATION SERVICE • 235 SOUTHERN BUILDING, WASHINGTON, D.C. • Telephone NAational 8-5070

U K PONDERS COMMON MARKET MEMBERSHIP

Government Indicates Major Policy Development Ahead

THE PROSPECT OF A WIDER EUROPEAN COMMUNITY appeared much closer this spring than ever before. On successive days, British Prime Minister Harold Macmillan and Lord Privy Seal Edward Heath made statements in Parliament which indicated that, provided certain conditions could be fulfilled, Britain would be prepared to take a major step into Europe—a step which could involve either joining or becoming closely associated with the Community.

Warm Welcome from Community

“There are signs,” declared Walter Hallstein, President of the Common Market Commission, in New York on May 18, “that Great Britain is rethinking this whole problem; they are signs that we welcome. Any European country that is prepared to accept the rules of the Rome Treaty, including the political promise that it represents, is very warmly welcome. We know that this is a difficult choice because it entails a fundamental commitment: it means adopting a method which has proved its worth but which demands real sacrifices.”

In another speech during this recent visit to the United States (see pages 6 and 7), he stated: “We are truly an open Community, not an exclusive club.” Speaking at Georgetown University in Washington, D. C., on May 17, he added that the Rome Treaty provides for both full membership and association. “Full membership means full acceptance of the treaty and the institutions it establishes. It means acceptance of the political significance and dynamism of these institutions. A full member must agree to build common policy in a wide range of endeavor. Association, on the other hand, is only partial membership. An associate takes on only a part of the obligations of our treaty and enjoys only a portion of the rights of full members.”

President Hallstein reminded his listeners that the United States Government had given solid support to the Community since its inception. “An expanded EEC undoubtedly would present increased economic competition for the United States,” he warned. “It seems quite logical, therefore, that the United States should ask its friends in Europe to balance this enlarged competition with a solid contribution to political unity—not just a magnification of trade advantages on their behalf. Political solidarity is our second major precept.”

“Something of Great Importance”

Meanwhile in London the Prime Minister told the House of Commons on May 16 that the problem of relations with the Community was “something of great importance for the future of the country.” “It may be,” he said, “that we

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can be admitted as full members subject to a protocol or a derogation of the full treaty application in respect to certain considerations. . . . The other countries must first decide whether they are ready to give us these various conditions which we must have, and then, whether that is to be regarded—as I hope they may feel it regarded—as full membership, or whether it would be regarded as something less than full membership and merely association.”

Mr. Macmillan stressed his concern that formal negotiations should not fail: “That would be fatal for the future of Europe, from many points of view, and indeed of the whole alliance.” The government was therefore trying to see in preliminary contacts with the many people concerned, “all the Commonwealth countries, European countries, the EFTA countries, and our own agricultural interests, (whether it) could get near enough to propose a formal negotiation with a very good chance of success.”

“Powerful Reasons” for Solution

In his speech in the House of Commons on May 17, Mr. Heath detailed the “powerful reasons why we should use all our strength and energy to find a solution to the problem of a closer relationship between ourselves and our partners and the European Economic Community. Today, Europe is strong. The pattern has changed and a fresh relationship has to be established. . . . This is one of the major problems of our time and it confronts us with decisions of immense importance to ourselves, to Europe and to the Commonwealth.”

Pointing out that the gross national product of the Community was two and a half times that of the UK, Mr. Heath said: “Their prospects are already attracting increased investment both from the United States and from the United Kingdom. We now see, opposite to us on the mainland of Europe, a large group comparable in size only to the United States and the Soviet Union, and as its economic power increases, so will its political influence.”

Reviewing the development of the United Kingdom’s new approach to the problem which had begun nine months ago, Mr. Heath said that the government was particularly concerned about four matters.

Commonwealth Trade. The whole problem of imports was being studied. Very few raw materials presented any difficulties. Tropical products were a more complex problem, but he had good hopes of progress on this item. The major difficulties concerned manufactures and temperate foodstuffs. “I must tell the House,” he said, “that we cannot yet see clearly what can be done.”

Domestic Agriculture. Agriculture could not be excluded from a settlement, but the Community might be ready to consider modifications in its present proposals on agriculture policy in order “to go some way to meet us.” At all events, “the British farmer is efficient and competitive.”

EFTA Members. Their interests must be safeguarded: they would be consulted before any final decision was taken.

Institutional Questions. Two particular aspects of national sovereignty would be affected by the Community—the power to make commercial agreements, and the fact that an appeal from commercial decisions could be made to the Community’s Court of Justice. These were both important (“we should face them frankly and openly”).

Mr. Heath next outlined four courses open to Britain: *First, to abandon the search for a solution.* “That would be a counsel of despair.”

Second, an economic arrangement between the two separate groups which would retain their identity. “As far as we can see at the moment it is not a solution that particularly commends itself to the members of the Six.”

Third, individual association with the Community. In this case the degree of political participation would have to be involved, and one would also have basically to consider the influence of an association on the economic policies of the group.

Fourth, full membership. Proper arrangements would have to be made for Commonwealth trade, the British agricultural system, and EFTA. “We shall not secure all we would like, but we shall share in great benefits which are not now available to us.”

Government and Press Support

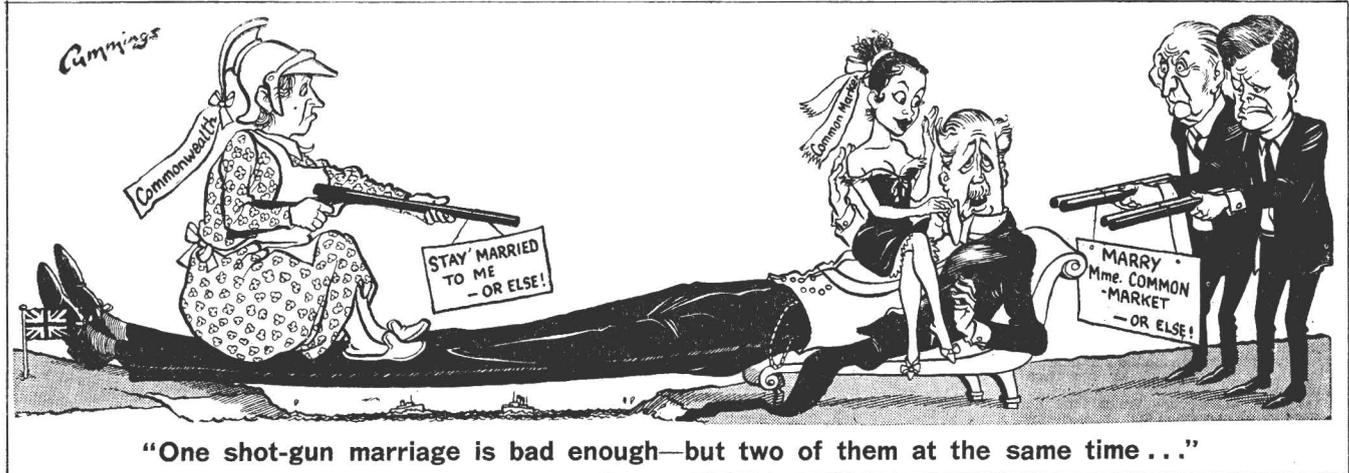
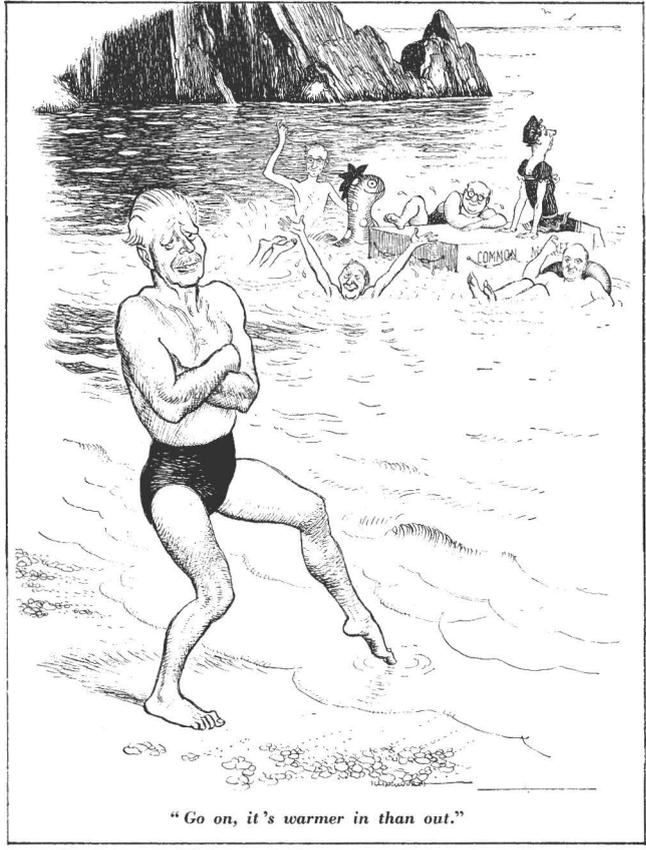
In the subsequent debate in the House of Commons, a majority of speakers from both the Conservative and Labor party benches also expressed themselves in favor of an agreement with the Community, though several underlined the necessity of safeguarding Commonwealth, EFTA, and British agricultural interests. Woodrow Wyatt, Labor member of Parliament, has said: “If we don’t join the Common Market soon, Britain will be reduced to poverty and powerlessness by the Common Market which, in ten years’ time, will be more powerful than Russia or America.”

Several articles have appeared recently in the British press urging a decision on the part of the government to join the Common Market. Although some newspapers criticized the ministerial statements for not having gone far enough, many newspapers interpreted them as foreshadowing the actual entry of the United Kingdom into the Community. One all-out dissenter, the *Daily Worker*, under the headline “Premier Plots New Betrayal” on May 19, said: “The government is preparing another betrayal of British national interests. It is proposing to take Britain into the European Common Market.”

A further development in the United Kingdom was the launching on May 25 of a “Common Market Campaign” under the chairmanship of Lord Gladwyn, former UK ambassador to France. This took the form of a declaration urging the government “formally and explicitly to declare their readiness in principle to join the European Common Market.” It was signed by some 130 eminent persons in various walks of life, including members of all three political parties, leading industrialists and bankers, trade unionists, journalists and academics. The aim, said Lord Gladwyn, was not to harass or embarrass the government but to make it clear that if it decided to apply for membership, it would have widespread and influential support.

Overtures in the WEU

The Prime Minister reaffirmed the government’s desire to seek a new solution when he addressed the Western European Union Assembly, which met for the first time in London on May 29. “We are determined to press forward with the consolidation of Western Europe,” he said. “I know that our friends in the Six . . . fully realize the importance of finding a solution. . . .”



With editorial opinion increasingly calling for a link-up with the EEC, British cartoonists are viewing the UK's hour of decision in various analogies—Daily Express (directly above), Daily Mirror (lower left), Evening Standard (upper left), and Punch (upper right).

The speech was received with some disappointment by members of the Assembly, whose president, former Socialist Minister Arthur Conte, said that they had hoped for a declaration of Britain's intention to join the Community. The British people, he added, should realize the extent to which Europe was *en marche*, and that the Community could not afford to wait too long for a British decision.

Ready to Respond

In his report to the same Assembly, German Foreign Secretary Heinrich von Brentano said that the members of the Community sincerely welcomed Mr. Heath's earlier statement and that they were ready to respond to this initiative. "It is said in the Rome Treaties, and we have repeated it again and again, that we consider the union of the six member states not to be an end but the beginning of a

European cooperation based on a firm contractual foundation and assured by a clear institutional system," he said.

Earlier Jean Monnet, in a message of congratulation to Walter Hallstein on his award of the Charlemagne Prize, had written: "And now Britain, struck by the practical and irreversible achievement of a union of the countries of the Continent . . . is faced with a decision. Voices are being raised on all sides to persuade the government to decide at last to take part, as we are doing, in the creation of Europe."

The free trade unions of the Community, at the meeting of their executive committee at Rome in mid-May, also discussed the possibility of British membership. They said that they hoped very much that this would come about and that other democratic countries in Western Europe would also join.

EEC CONSIDERING ADDITIONAL 10-PER-CENT TARIFF CUT

THE EEC COUNCIL OF MINISTERS is considering a proposed 10-per-cent cut in tariffs which, if approved, will bring the total reduction in Common Market internal tariffs to 50 per cent by December 31, 1961. On that date the internal tariff is already scheduled to receive a 10-per-cent cut, which will bring the over-all reduction to 40 per cent. The proposed additional 10 per cent, which would cut the internal tariff by half and put the Common Market four years ahead of the schedule outlined in the Treaty of Rome, has been recommended by the EEC Commission to the Council for decision later this summer.

In submitting its proposal to the Council, the Commission pointed out that the Common Market is going through a period of remarkable expansion and stated that "an additional 10-per-cent reduction of customs duties at the end of 1961 would, in all member states, serve to support the favorable development of economic trends."

Committees Favor Speed-Up

Meeting in the latter part of May, the Community's Monetary Committee and Business Cycle Policy Committee both

reported favorably on the additional 10-per-cent cut proposed by the Commission.

A proposal for a reduction in external tariff also was made, subject to reciprocity, by the EEC representative at the GATT negotiations in Geneva on May 29. This proposed reduction would mean a 20-per-cent across-the-board cut in the Community's common external tariff.

These proposals for accelerated reductions in internal and external tariff are in line with the EEC Council of Ministers' decision of May 12, 1960, to accelerate the transition period of the Common Market. Both proposals are possible because of the healthy state of the economy of the Common Market countries.

This condition has been underscored by the figures released by the Joint Statistical Office of the Communities. The gross national product of the Community rose 5 per cent in 1959, an additional 7 per cent in 1960 and is expected to rise at least 5 per cent in 1961. The increase in industrial output has been particularly marked: 7 per cent in 1959 and 12.2 per cent in 1960. Industrial production is expected to grow by between 6 and 7 per cent in 1961.

REGULATIONS PROPOSED ON TWO AGRICULTURAL PRODUCTS

Proposals Represent First Step Toward Agricultural Common Market

THE EEC COMMISSION HAS SUBMITTED to the Council of Ministers two proposals for regulations to introduce a system of levies and to establish gradually a common market organization for grain and pork. They constitute a first set of provisions in establishing a common agricultural policy among the Six and are intended to expedite the general speed-up in the transition period outlined in the Rome Treaty.

The proposed levy system applies to non-member countries as well as to member states. In trade among members, the levies will disappear progressively as prices are brought into line.

For grain, intra-Community levies will be reduced by a lump sum fixed annually, thus allowing the member states continued preference in accordance with the treaty. For pork, an amount equivalent to a specific customs duty and rising progressively to 10 per cent of the average world market price will be included in the levy applicable to non-member countries. The rules apply to bread grain as well as to coarse grain, to certain processed products, to all pure pork and to certain pork products.

Levies to Start in 1961-62

The Commission's action in submitting these proposals is in response to the Council of Ministers' resolution of December 20, 1960, regarding the two sectors of grain and pork, which also requested that analogous proposals for sugar, eggs and poultry be submitted before July 31, 1961, and recommended that the levies, if adopted, should be applied starting with the 1961-62 farming year.

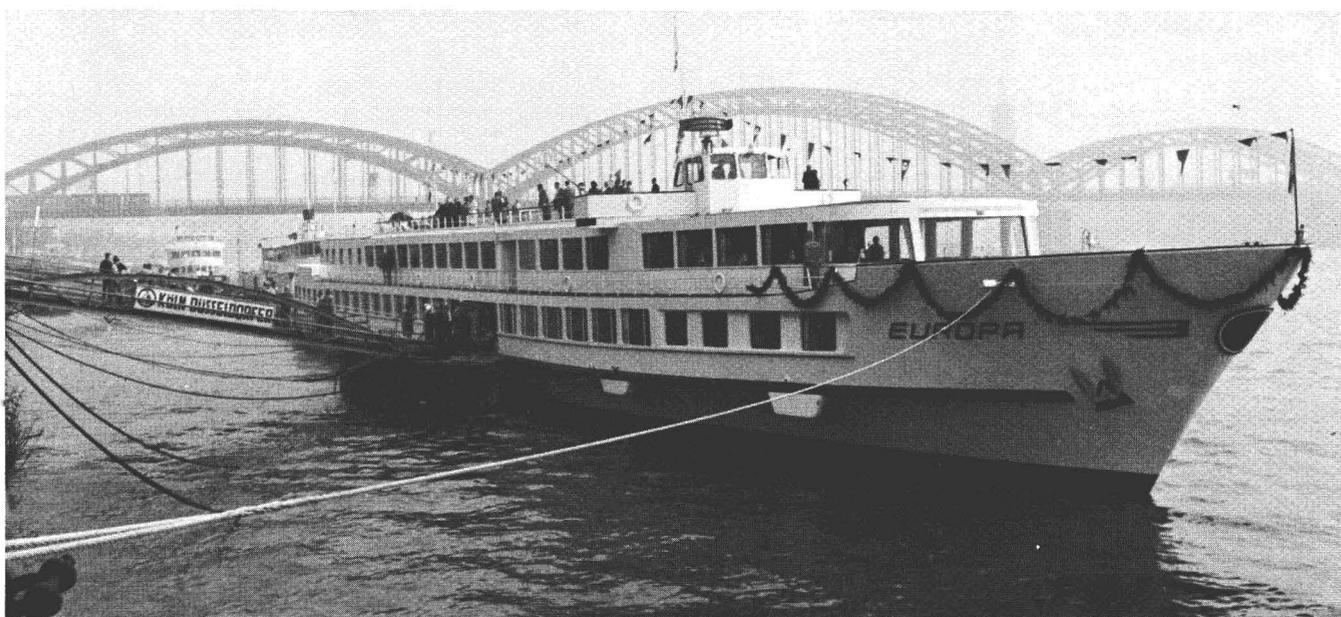
Adoption of these regulations will enable the Six gradually to replace their present individual restrictions (such as quotas, customs duties, compulsory mixing regulations, etc.) with Community rules from which all countries concerned will benefit because of stable prices and markets, expansion of intra-Community trade, and free access to supply sources in non-member states. If the proposed provisions are established, the next steps to take will be in regard to approximation of prices, creation of a European guidance and guarantee fund, and the establishment of executive and consultative institutions.

INFORMATIONS STATISTIQUES

In 1960, coverage by the periodical *INFORMATIONS STATISTIQUES* was extended to include articles on the European Economic Community and Euratom as well as the European Coal and Steel Community.

This year, *INFORMATIONS STATISTIQUES* will be published quarterly in Dutch, French, German, and Italian. Single copies, priced at \$1.50, and *calendar-year* subscriptions, priced at \$5.00, are available from the Service des Publications des Communautés Européennes, 2 Place de Metz, Luxembourg.

Copies of 1960 issues of the French edition are available on loan from the European Community Information Service, 235 Southern Building, Washington 5, D. C. Single copies of the French edition may also be purchased from the Washington Office.



Symbol of the new Europe's streamlined transportation, the Rhine pleasure steamer "Europa" entered service in 1960.

FOR EQUAL RIGHTS IN TRANSPORT

THE EEC COMMISSION has sent to Consultative Transport Committee a paper on the "Admission of Transport Carriers to Engage in Transport Activities in a Member State in Which They Are Not Resident." The paper contains proposals on the implementation of Article 75(1B) of the Treaty of Rome which calls for "conditions for the admission of non-resident carriers to national transport services within a member state." It fills in the general outline of the problem of participation by non-residents in domestic transport, sketched in the Memorandum on the Common Transport Policy of April 10, 1961.

The Commission considers that discrimination in the admission of transport carriers to engage in transport activities within a member state must be abolished by the

end of 1967 at the latest. The Commission further states that the gradual assimilation of statutory and administrative provisions on admission to transport activities should be initiated as soon as possible. Efforts to increase the quotas for road transport in the various countries must have made considerable progress by the end of 1967. By the end of 1964, non-resident road haulers and inland-waterway goods carriers should be granted at least the right to carry out transport activities in a member state before and after operations which involve a frontier crossing. The Commission will ask the Consultative Committee for its opinion on a number of practical problems, including the share in transport activities at present held by non-resident carriers.

TOWARD FREE MOBILITY FOR WORKERS

THE COUNCIL OF MINISTERS on June 12 unanimously approved the first phase of a program that eventually will permit the completely free circulation of workers within the six member states of the Community. The action is regarded as a major step forward in progressing toward a totally free labor market, to be achieved by phases—the first, just approved, being for two years.

As approved, the regulations will allow workers to cross national frontiers to accept jobs in other Common Market countries. "National" labor markets will still exist, but in two progressive stages, they will be eliminated. According to Title III of the Treaty of Rome which established the Common Market, all restrictions on workers moving throughout the Community must be lifted by the end of the transition period.

The new regulations embody the principle of EEC priority on the labor market, meaning that a member country will take into account the availability of workers in its sister states before reaching out to non-EEC countries for manpower. In approving the portion of the regulations dealing with EEC priority, the Italian Government's view was that EEC priority was an obligation of the Rome

Treaty, while the German Government indicated that it did not consider a treaty obligation to be involved.

How the Rules Apply

Under the regulations, a state which cannot meet its manpower needs will make vacancies known to other member states after openings have existed for three weeks. The states notified are to report their resources, if any, within 15 days and forward specific candidate lists within another three weeks.

To coordinate action during the first phase, the regulations provide for a consultation committee with equal representation for governments, labor and management, as well as an EEC bureau to correlate job offers with available workers.

Common Market workers employed in an EEC member country will be free to take their wives, minor children and dependents with them; to join and vote in labor organizations; and to renew their work permits in the host country (for the same job after one year, for another job in the same field after three years and for any job after four years).



Atlantic cooperation held the rapt attention of the two Presidents.

PRESIDENT HALLSTEIN'S VISIT TO THE U.S.

New High Tide of Understanding — Kennedy Reaffirms Strong Support

"Understanding between Europe and America is at a new high tide," EEC President Walter Hallstein reported when he left New York May 25 after a 12-day visit to the United States. Dr. Hallstein said he was heartened by the strong support for the European Community assured him during his round of talks.

Following a 40-minute meeting between the President of the USA and the President of the EEC, a joint communiqué stated that President Kennedy "took the occasion to reaffirm the strong support of the U.S. Government for the European Economic Community and the movement toward European integration as envisaged by the Treaty of Rome." (For complete text, see page 8.)

Highlights of the Visit

In addition to President Kennedy, Dr. Hallstein also met with United Nations Secretary General Dag Hammarskjöld and Mayor Robert Wagner in New York, three Cabinet Secretaries, the Acting Secretary of State, and other U.S. Government officials in Washington, as well as several leaders in labor, education, and business. He delivered major addresses in Washington, New York and at Harvard University and held three general press conferences.

The trip marked President Hallstein's first visit to the U.S. since November 1959 when he addressed a NATO Parliamentarians' Conference in Washington. Two years ago, he came to Washington on an official visit with the Presidents of the other two Community executives—the Coal and Steel Community and Euratom. Accompanying



J. William Fulbright, Chairman of the Foreign Relations Committee (left), welcomed Dr. Hallstein and Ambassador W. Walton Butterworth, U.S. Representative to the European Communities, to his Senate office on May 17.

Dr. Hallstein on his recent visit were Messrs. Berndt von Staden, chief of the President's executive office; Joachim von Stuelpnagel, press secretary; and Richard Mayne, assistant press secretary.

"A New Sense of Communion"

The full text of the President's departure statement follows:

"I now close a visit of 12 days to the United States and though it may sound strange, I do not feel that I return to something distant and detached from America. More so than ever before, the European who comes here to talk

with government officials and citizens goes away deeply impressed with a new sense of communion with America.

"America and Europe, of course, have been linked in common endeavor throughout the postwar period. But during that time the forces that would split us apart have grown more powerful. Fortunately, the logic which impels us to ever closer collaboration has been given proportionate recognition and is now at a new high tide. It is personified in President Kennedy who sees the issues in clear perspective and who, personally and through his Administration, is making a magnificent effort to tighten the lines of the Atlantic alliance.

"I conclude from my talks that the United States is prepared not only to continue its steadfast support of the European Economic Community but to make further contributions—we might even say sacrifices—to advance the political integration of Europe. The communiqué issued on behalf of President Kennedy and myself goes directly to this point.

"It recognizes that the European Economic Community and the Treaty that established it hold the pre-eminent potential for unity in Europe.

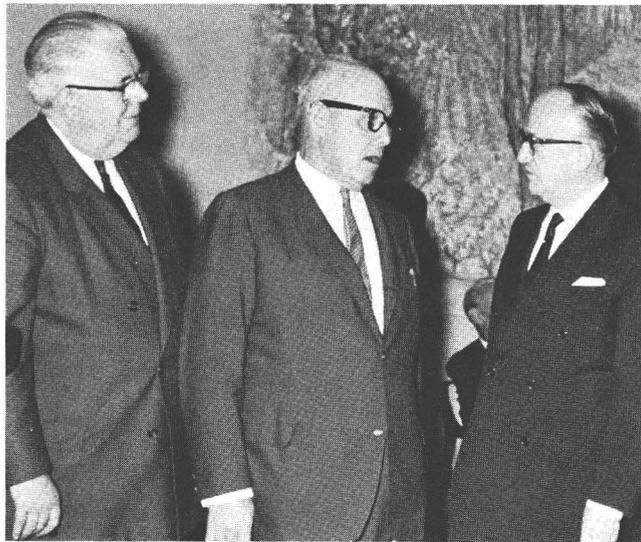
"On a more personal side, I have been heartened by a still growing comprehension here of the goals and achievements of the European Economic Community. Citizens in



President Hallstein met with various top-ranking officials like Agriculture Secretary Orville Freeman (above) and Commerce Secretary Luther Hodges (right).



Prof. Walter Heller, Chairman of the Council of Economic Advisers (at left), preceded Treasury Secretary Douglas Dillon (above) with President Hallstein on May 16.



AFL-CIO President George Meany (center) with William C. Doherty, President of the National Association of Letter Carriers (left), discussed labor developments with President Hallstein before a luncheon May 16.

government, business and labor circles are coming to understand that what we seek is economic and political strength and freer world trade. We are not constricting world commerce but expanding it, as I have had the opportunity to stress.

"These are some of the reasons why I say that the communion of understanding between Europe and America is at a new high tide, and why the distance between Europe and America has grown encouragingly short.

"I want finally to express my sincere thanks for the hospitality with which you have received me again, and for the very friendly spirit I encountered everywhere, making it possible to discuss every issue where our common responsibilities meet."

At Harvard University May 22, Dr. Hallstein delivered a major policy speech on "Economic Integration and Political Unity in Europe."



COMMUNIQUE

Text of the Joint Communiqué after a Meeting between the President of the United States of America and Dr. Walter Hallstein, President of the European Economic Community • May 16, 1961

The President and Dr. Walter Hallstein, President of the Commission of the European Economic Community, met at the White House on May 16.

The President took the occasion to reaffirm the strong support of the U.S. Government for the European Economic Community and the movement toward European integration as envisaged by the Treaty of Rome. The President and Dr. Hallstein were in full agreement that the European integration movement of the six signatory countries of the Treaty of Rome complements and reinforces the progressive development of a true Atlantic Community which will be given new impetus by the coming-into-force of the OECD.

The President and Dr. Hallstein discussed the current state of relations between the U.S. and the European Economic Community. The President took the occasion to reiterate the interest of the U.S. in the preliminary discussions now under way looking toward the establishment of a common agricultural policy within the European Economic Community. While fully endorsing the establishment of a common agricultural policy as an essential prerequisite to the implementation of the Rome Treaty, the President expressed the hope that a common agricultural policy would take into account the importance of agricultural commodities in the over-all pattern of free world trade and the interest of the United States and other agricultural exporting countries.

The President and Dr. Hallstein also discussed the tariff negotiations now in progress in Geneva within the framework of the GATT. The President and Dr. Hallstein are agreed that these negotiations should be conducted in such a manner as to assist the adjustment of non-member countries to the coming into effect of the European Economic Community. In this connection, the President and Dr. Hallstein discussed in particular the effect of the coming into existence of the EEC upon trade with the Latin-American countries.

With regard to the association of African States with the EEC, the President and Dr. Hallstein also discussed the need for a sustained, increased and coordinated flow of development and technical assistance to the less-developed countries.

Eight Tariff Quotas Granted

DECISIONS ON 12 APPLICATIONS for the opening of tariff quotas, affecting 10 different products, have been taken by the EEC Commission under Article 25(2) of the treaty, which provides for special consideration in cases of short supply. Eight have been accepted and four rejected.

The list of products for which tariff quotas have been granted, the names of the applicant countries, and quotas fixed are as follows:

1. Desoxycholic acid; the Netherlands; 11,000 kg. duty free. Quota granted for the period January 1 to December 31, 1961 (decision in principle taken in December 1960).
2. P-menthane hydroperoxide; Italy; 60,000 kg. duty free.
3. Sodium dibutylthiocarbamate; Italy; 7,000 kg. duty free.
4. Tertiary dodecylmercaptan; Italy; 100,000 kg. duty free.

The granting of each of the last three tariff quotas above, which are intended for the manufacture of synthetic rubber, covers the period from January 1 to June 30, 1961.

5. Styrene monomer; Italy; 5,000,000 kg. duty free.
6. Ethylbenzene; Italy; 3,500,000 kg. duty free.

The granting of each of the above two tariff quotas, which are also intended for the manufacture of synthetic rubber, covers the period from January 1 to December 31, 1961.

7. Ethylbenzene; the Netherlands; 10,000,000 kg. duty free. Tariff quota, intended for the manufacture of synthetic rubber, covers the period from January 1 to December 31, 1961.
8. Crude calcium tartrate; Federal Republic of Germany; 3,500,000 kg. duty free. Granted for the period from January 1 to December 31, 1961.

The quota applications refused concern the following products: desoxycholic acid (France), synthetic organic dyestuffs (Belgo-Luxembourg Economic Union), styrene divinylbenzene copolymer and vinyl-vinylidene chloride copolymer (the Netherlands), and vinyl-vinylidene chloride copolymer (Federal Republic of Germany).

The text of Article 25(2) follows:

"In respect of the products in List E and those in List G for which the duties shall have been fixed in accordance with the procedure provided for in Article 20, third paragraph, the Commission shall, at the request of any Member State concerned, grant to such State tariff quotas at a reduced rate of duty or duty free, where a change in sources of supply or a shortage of supplies within the Community is of such a nature as to entail harmful consequences for the processing industries of the Member State concerned.

"Such quotas may not exceed the limits beyond which the transfer of activities to the detriment of other Member States is to be feared."

Foregathered on the terrace of the new State Department Building left to right: Edwin Martin, Assistant Secretary of State for Economic Affairs; Ambassador Walton Butterworth, U.S. Representative to the European Communities; George Ball, Under Secretary of State for Economic Affairs; Chester Bowles, Acting Secretary of State in absence of Geneva-conferee Dean Rusk; President Hallstein; Edward Gudeman, Under Secretary of Commerce; Foy Kohler, Assistant Secretary of State for European Affairs.



ENERGY OUTLOOK FOR 1961

- Coal use to fall by 2 per cent
— to 50 per cent of total energy consumption
- Oil to move up another 14-15 per cent
- Natural gas going up 16 per cent

THE INTER-EXECUTIVE WORKING GROUP on Energy (High Authority, Common Market and Euratom Commissions) and the ECSC Council of Ministers have received a provisional 1961 energy balance-sheet, showing that fundamental changes which have been gradually taking place in the structure of Europe's energy consumption are likely to continue. However, primary energy supplies are expected to remain in general balance with demand.

The underlying feature in energy consumption in 1961 is likely to be a slowing down in the high expansion rate of 1960. The Common Market Commission has estimated that the Community's gross national product will rise approximately 5 per cent, against 7 per cent in 1960, and industrial production by 6.5 per cent, against 12.2 per cent in 1960. Thus total energy consumption is likely to increase by about 3.4 per cent in 1961 compared with over 9 per cent last year. In terms of coal equivalent, this would mean a rise of 15-16 million tons, against 40 million tons in 1960.

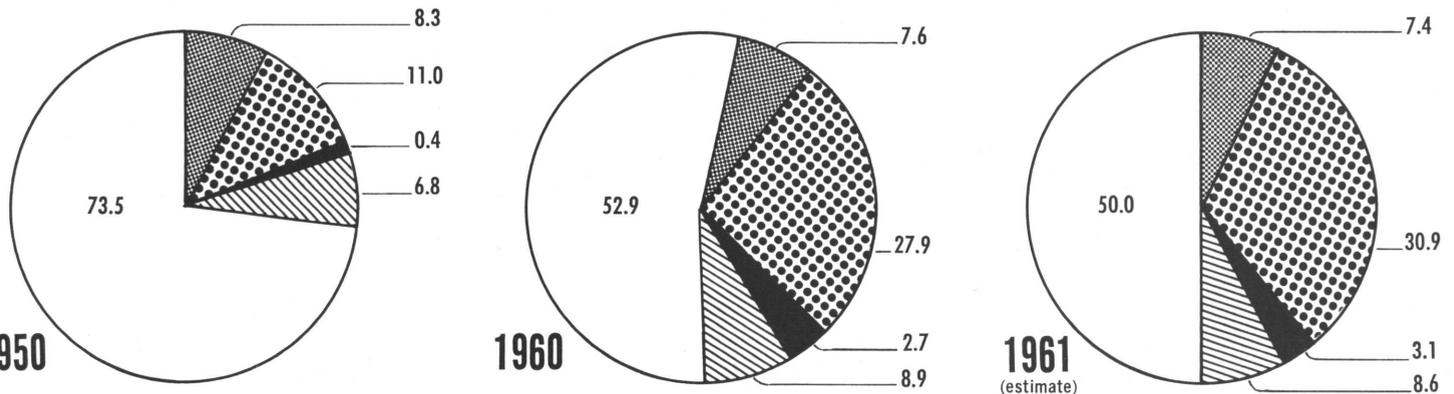
Within the over-all picture of expansion, coal consumption is likely to fall slightly—to only 50 per cent of total energy consumption, against 52.9 per cent in 1960. Productivity in the mines, which has risen by 9 to 10 per cent a year since 1958, should continue to rise, and the number of underground workers, which was still as high as 667,000 in 1957, should fall to 500,000 in the course of the year.

SHIFTING SOURCES OF ENERGY

More Oil and Gas, Less Coal in Community Consumption

□ Coal ▨ Lignite ▩ Oil ■ Natural Gas ▤ Water Power

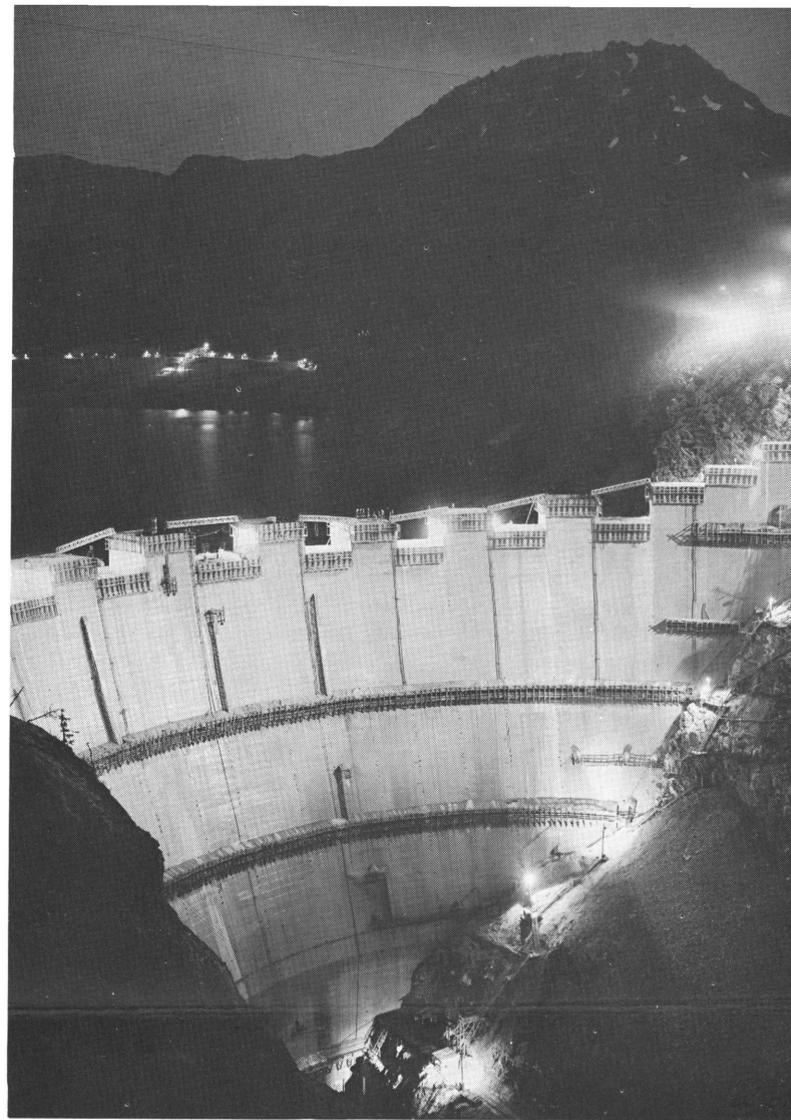
(percentage)



Oil continues to be in abundant supply and the Community's capacity is expected to be fully utilized, with internal Community production at 12.5 million metric tons (of coal equivalent) and Sahara output at 16-17 million.

Oil and Natural Gas Expected to Advance

The substitution of oil and natural gas for coal is likely to continue, particularly on the railways, where steam trac-



Energy consumption in the Community is expected to rise by 15 million tons coal equivalent this year. Night photo shows high dam on the Isère River in the French Alps.

tion is gradually being eliminated; in the gas industry, which is using more and more natural gas; in the manufacturing industry as a whole; and even in domestic heating. Even in the steel industry, increased efficiency in the use of coke is expected to nullify the effect of higher pig-iron production. The one bright spot on the horizon for coal is the electricity industry, which will step up its coal consumption by about three million metric tons.

A GENUINE COMMON MARKET IN STEEL

ALTHOUGH WORLD-WIDE DIFFICULTIES IN COAL have not been conducive to expanding trade either inside or outside the Community, the development of trade in steel across internal Community frontiers has been one of the outstanding proofs of the reality and success of the common market for steel. Statistics recently released by the High Authority of the ECSC show that between 1952 and 1960 deliveries across internal frontiers rose from 2.1 to 10 million metric tons—an increase of 376 per cent.

A common market should mean that, with frontier barriers no longer distorting the pattern of trade, goods are able to find their natural outlets, taking the shortest haul to the markets they are able to supply most efficiently and most economically. A common market should also increase over-all demand. The steep rise of steel trade within the Community and the repetitious breaking of steel production records indicate that the common market for steel—which was eight years old on May 1—has been having just these effects.

The expansion rate for trade in steel within the Community has in fact far outstripped the increase in exports to the outside world, even though the latter increased by 173 per cent between 1954 and 1960.

COMMUNITY STEEL TRADE (in thousands of metric tons)

	1952	1954	1958	1960
Intra-Community trade	2,108	4,153	5,417	10,054
Community exports to outside world	—	6,440	9,699	11,146

Another fact about the increase in steel trade within the Community is that the countries which have increased their imports from other Community countries by the greatest amounts are the countries whose own steel industries have been expanding with extreme rapidity—Italy, France and

the Netherlands. But perhaps more impressive—as the following table shows—is that all Community countries, even traditional exporters like Belgium and Luxembourg, have been able to contribute to general prosperity by buying more from their neighbors.

INTRA-COMMUNITY STEEL EXCHANGES

(in thousands of metric ton)

	Sales to other Community countries		Purchases from other Community countries	
	1952	1960	1952	1960
Germany	302	3,408	786	3,310
Belgium/Luxembourg	1,254	3,461	212	698
France	481	2,394	27	2,928
Italy	2.4	130	322	1,455
Netherlands	68	660	759	1,661

A Rising Share in World Steel Output

Community steel output in 1960 rose faster than world output as a whole. World output rose by 37 million metric tons to 342 million (12.1 per cent); Community output rose by 9.6 million metric tons to 72.8 million (15.3 per cent). The biggest percentage increases inside the Community occurred in Italy (21.5 per cent), the Netherlands (16.2 per cent) and Germany (15.8 per cent).

Thus, the share of the Community in total world output of steel rose to 21.3 per cent in 1960, from 20.7 per cent in 1959. In the last year (1952), before the common market for steel came into being, it amounted to only 19.7 per cent.

In 1961, Community steel continues its expansion, with production for the first four months reaching 24,845,000 metric tons, against 24,062,000 in the corresponding period of 1960. The expansion rate has slowed down, however, amounting to 3.3 per cent this year to date.

EURATOM PLANS TO AID POWER REACTOR PROJECTS

EURATOM PLANS TO SPUR the construction of nuclear power stations in the Community. Under a proposal now before the Council of Ministers, any power projects fulfilling certain conditions will qualify for such aid as participation in the cost of manufacturing fuel elements (provided that these are processed in the Community) or reactor parts, the supply of fuel or the underwriting of some of the initial costs of putting a power reactor into operation. In return, power producers and research workers in the Community would benefit from having full access to data, in the form of technical reports, on the construction or operation of the reactor, or from the seconding of Commission personnel to the teams building or operating the reactor.

So far, three requests have been received by the Commission for Euratom's participation, from the SIMEA, SENN and SENA companies. The first concerns the 200-megawatt Calder Hall type reactor project being built by the British Nuclear Power Plant Co. at Latina, Italy. SENN will establish a 150-megawatt boiling water reactor being

built by an American firm at the mouth of the Garigliano river, also in Italy. SENA's 242-megawatt pressurized water reactor, to be built by an American-European group for a joint Franco-Belgian company, will be located at Chooz in the French Ardennes, near the Belgian frontier. It will be Euratom's first "Joint Enterprise." Initially, it is intended to devote \$19 million from the research budget to these three projects.

Double-Value Reactors

Although it has not been Euratom policy to participate in power-station construction or operation, Articles 5 and 6 of the Euratom Treaty provide for this type of aid to gain research experience. Euratom's policy now is to encourage the building of a number of medium-sized power plants operating on various promising reactor systems in order that Community power producers can learn about the problems of their operation. Small prototype reactors, it is held, may be misleading in some of the information yielded when applied to large-scale projects. These reactors, in addition to

their value as producers, also help promote Euratom's research program. Under the aid scheme, it is intended to subsidize the reactors only in the construction stage or the initial stages of operation whose costs, compared with starting conventional power stations, are extremely high. It is not intended that the Commission should take any part in the management of the projects or that there should be any modification of the normal civil responsibilities of the firms concerned.

Newsbriefs

Common Market

Euratom

Coal & Steel Community

Euratom to Set up Radioisotopes Bureau

Working with experts from member countries, the Euratom Commission will set up an information bureau on the use of radioisotopes. The bureau will be made up of members of the Commission's Industry and Economy Direction staff who will be assisted by an advisory committee of experts from producers and industrial consumers of radioisotopes. One of the bureau's main activities will be the publication of reports dealing with various uses of radioisotopes in different sections of industry. Information on national regulations in force in the Community countries covering the use of radioisotopes will also be summarized.

Only about 1,200 firms are presently using radioisotopes industrially in the Community, but a Euratom-inspired drive could eventually raise this figure to the million mark. The potential range of applications includes measurements for thickness, quantity and volume, chemical analysis and chemical reactions and the modification of structure of matter. It has been estimated that the use of radioisotopes resulted in savings of \$11.2 million in the UK in 1958. Clearly, radioisotopes can make a large contribution to the efficiency of Community industry.

Nuclear Agreement with Brazil

The first European Community agreement with a Latin American country was concluded at Brasilia on June 9 when the European Atomic Energy Community and the Government of Brazil signed an agreement for cooperation in the nuclear energy field.

Under the agreement the six-nation atomic community and Brazil pledged mutual aid in the development and use of atomic energy for peaceful purposes. The pact provides for cooperation in: the exchange of information on research and development, health protection, the supply and use of ores, source materials, special fissile materials, irradiated fuels and radioisotopes; the granting of licenses for patents; the exchange of students, technicians and teachers; the improvement of ore-prospecting techniques; the construction of installations and equipment; the processing of ores and the chemical treatment of fuels.

Commission members Heinz L. Krekeler and Emanuel M. J. A. Sassen represented Euratom in the signing of the agreement at Brasilia. Euratom has previously concluded similar pacts with the United States, the United Kingdom and Canada.

European Community Prize

The Executives of the European Communities will award a European Community Prize of 100,000 Belgian francs (\$2,000.) in 1961 for the university thesis which makes the best contribution to the study of problems related to the objectives and first results of the integration policies pursued by the six member states of the European Communities (ECSC, Common Market and Euratom).

Conditions of Eligibility

1. Candidates must be nationals of one of the member states of the European Community or of a state which has concluded an association agreement with one of the Communities (United Kingdom, Austria, Switzerland, the United States, and Canada). Refugees from European countries, if legally resident in a member state, may also participate.
2. Personnel of the European Communities and their immediate families are not eligible to compete.
3. Any direct or indirect attempt to influence the decision of the Selection Committee disqualifies the candidate.

Theses presented by candidates must already have been accepted at an accredited university and may be in the field of history, geography, sociology, social psychology, political science, law, economics or any other field which contributes to an understanding of Community policy and objectives. An international jury, which may enlist outside experts for advice, will meet to select the winning thesis at the beginning of December 1961 in Strasbourg under the chairmanship of Ambassador Eelco van Kleffens.

Out of the value of the prize the winner will be expected to have at least 300 copies of his work produced for distribution to universities and specialized institutes. Manuscripts will not be returned. They should be in one of the official languages of the European Communities (Dutch, French, German, Italian) or in English. Candidates should mail three copies of their theses before October 1, 1961 to:

European Community Prize, The Director -
Joint Information Service of the European Communities
244, rue de la Loi, Brussels, Belgium

France Advised on Coffee Imports

The EEC Commission has taken a decision under paragraph 2 of Article 115 of the Treaty of Rome, amending the measures of protection taken by the French Government against roasted coffee imported from other member states.

These measures of protection, under which the granting of licenses to import roasted coffee from other member states is suspended, will have to be replaced by a differential charge to be levied in France on imports of this product within the EEC quota.

The decision takes account of the existence in France of a market organization for coffee based on the principle of an authorized price and giving certain guarantees to overseas producers. The establishment of a differential charge will obviate diversions of commercial policy by which the French Government is seeking to safeguard the market organization for coffee in the franc area.

Article 115, paragraph 2, states: "In cases of emergency and during the transitional period, member states may themselves take such necessary measures and shall notify

them to the other member states and also to the Commission which may decide that the state concerned shall amend or revoke such measures.”

New Transport Publication

Experts from the six Community Governments have approved for publication a uniform nomenclature of goods for use in transport statistics. At the meeting in April experts from Austria and from international organizations concerned also took part. The latter associated themselves with the conclusions reached by the group, which followed an examination and discussion by various delegations relating to the detailed list of goods.

The document will comprise three parts:

1. A list of the titles of the 176 headings;
2. An analytical list of the names of the goods contained in each of the 176 headings;
3. An alphabetical list.

New Book

EUROPE AT SIXES AND SEVENS: The Common Market, the Free Trade Association, and the United States. By Emile Benoit with Foreword by Dr. Walter Hallstein. *Columbia University Press*, New York, New York, 1961. 275 pages. \$5.00.

Professor Benoit, on leave from Columbia University, presents an up-to-date account of the development of regional economic organizations and the progress toward unity in Europe. The author explains the impact these new programs may be expected to have on the United States.

PUBLICATIONS AVAILABLE

SUMMARY OF THE EUROPEAN COAL AND STEEL COMMUNITY'S NINTH ANNUAL REPORT. Report on activities of the Community from February 1, 1960, through January 31, 1961, 13 pp.	free
SUMMARY OF THE EUROPEAN ECONOMIC COMMUNITY'S FOURTH GENERAL REPORT. Report on activities of the Common Market from May 16, 1960, through April 30, 1961, 15 pp.	free
SUMMARY OF EURATOM'S FOURTH GENERAL REPORT. Report on activities of the Community from April 1960 through March 1961, 5 pp.	free
THE COMMISSION'S MEMORANDUM ON THE GENERAL LINES OF THE COMMON TRANSPORT POLICY, May 4, 1961, 6 pp.	free
THE EUROPEAN DEVELOPMENT FUND AND THE ASSOCIATED OVERSEAS COUNTRIES. Set of 24 5"x8" charts.	free
Speeches given by Dr. Walter Hallstein, President of the EEC Commission, during his visit to the United States:	
• EUROPEAN UNITY AND THE ATLANTIC ALLIANCE, May 17, Washington, D. C., 10 pp.	free
• THE EUROPEAN COMMUNITY AND ATLANTIC PARTNERSHIP, May 18, New York, 7 pp.	free
• ECONOMIC INTEGRATION AND POLITICAL UNITY, May 22, Cambridge, Mass., 9 pp.	free

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